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July 2001

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



PHOTOGRAPH COLLECTION

JUL 10 2001

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND

\$17.89 /CWT
\$2.24 /LB

EFFECTIVE AUGUST 1, 2001:

The minimum price to pay milk producers, under ARM 32.24.301, is \$17.89 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 22.4 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$2.24.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$14.81 /CWT

Average spray process dry milk solids

price per pound = \$0.99500
Multiplied by 8.2 x 8.2

\$8.15900

\$8.15900

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.91050
Multiplied by 4.2 x 4.2

\$8.02410

+ \$8.02410

\$16.18310

LESS a make allowance of 8.5% (\$16.1831 X .085)

- \$1.37556

\$14.80754

Rounded to the nearest whole cent = \$14.81 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$2.12 /LB**

Last quote of the month for Grade AA butter
 minus a differential of \$.0895 = \$1.91050 X .111) = \$0.21207
 Rounded to the nearest half cent = \$0.212

Butterfat value per pound
 for milk at 3.5% test: \$2.12

Hundredweight price of milk testing 3.5% = \$14.81
 LESS 3.5 pounds of butterfat at \$2.12 per pound - \$7.420
 Value of 96.5 pounds of skim = \$7.390

CLASS II VALUE OF
 ONE POUND OF SKIM 7.390 / 96.5 pounds) = \$0.07658 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$12.55 /CWT**

3.5 pounds of butterfat \$1.72 per pound = \$6.020
 96.5 pounds of skim \$0.06772 per pound = \$6.535
 \$12.555 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.72 /LB**

Last quote of the month for Grade AA butter
 minus a difference of \$.0895 = \$1.91050
 LESS 10% - \$0.19105
 \$1.71945

Rounded to the nearest whole cent \$1.72 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.77197 /CWT**

Avg. spray process dry milk solid price/lb \$0.99500
 Multiplied by 8.2 8.2
 \$8.15900
 LESS 17% \$1.38703
 \$6.77197

Rounded to the nearest whole cent \$6.77 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$17.89 FOR 3.5% MILK 96.5 LBS = \$10.050		CLASS II SKIM PRICE BASED ON \$14.81 FOR 3.5% MILK 96.5 LBS = \$7.390		CLASS III SKIM PRICE BASED ON \$12.55 FOR 3.5% MILK 96.5 LBS = \$6.535	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10308	2.50	\$0.07579	2.50	\$0.06703
2.55	\$0.10313	2.55	\$0.07583	2.55	\$0.06706
2.60	\$0.10318	2.60	\$0.07587	2.60	\$0.06709
2.65	\$0.10324	2.65	\$0.07591	2.65	\$0.06713
2.70	\$0.10329	2.70	\$0.07595	2.70	\$0.06716
2.75	\$0.10334	2.75	\$0.07599	2.75	\$0.06720
2.80	\$0.10340	2.80	\$0.07603	2.80	\$0.06723
2.85	\$0.10345	2.85	\$0.07607	2.85	\$0.06727
2.90	\$0.10350	2.90	\$0.07611	2.90	\$0.06730
2.95	\$0.10355	2.95	\$0.07615	2.95	\$0.06734
3.00	\$0.10361	3.00	\$0.07619	3.00	\$0.06737
3.05	\$0.10366	3.05	\$0.07622	3.05	\$0.06741
3.10	\$0.10372	3.10	\$0.07626	3.10	\$0.06744
3.15	\$0.10377	3.15	\$0.07630	3.15	\$0.06747
3.20	\$0.10382	3.20	\$0.07634	3.20	\$0.06751
3.25	\$0.10388	3.25	\$0.07638	3.25	\$0.06754
3.30	\$0.10393	3.30	\$0.07642	3.30	\$0.06758
3.35	\$0.10398	3.35	\$0.07646	3.35	\$0.06761
3.40	\$0.10404	3.40	\$0.07650	3.40	\$0.06765
3.45	\$0.10409	3.45	\$0.07654	3.45	\$0.06768
3.50	\$0.10415	3.50	\$0.07658	3.50	\$0.06772
3.55	\$0.10420	3.55	\$0.07662	3.55	\$0.06775
3.60	\$0.10425	3.60	\$0.07666	3.60	\$0.06779
3.65	\$0.10431	3.65	\$0.07670	3.65	\$0.06783
3.70	\$0.10436	3.70	\$0.07674	3.70	\$0.06786
3.75	\$0.10442	3.75	\$0.07678	3.75	\$0.06790
3.80	\$0.10447	3.80	\$0.07682	3.80	\$0.06793
3.85	\$0.10452	3.85	\$0.07686	3.85	\$0.06797
3.90	\$0.10458	3.90	\$0.07690	3.90	\$0.06800
3.95	\$0.10463	3.95	\$0.07694	3.95	\$0.06804
4.00	\$0.10469	4.00	\$0.07698	4.00	\$0.06807
4.05	\$0.10474	4.05	\$0.07702	4.05	\$0.06811
4.10	\$0.10480	4.10	\$0.07706	4.10	\$0.06814
4.15	\$0.10485	4.15	\$0.07710	4.15	\$0.06818
4.20	\$0.10491	4.20	\$0.07714	4.20	\$0.06821
4.25	\$0.10496	4.25	\$0.07718	4.25	\$0.06825
4.30	\$0.10502	4.30	\$0.07722	4.30	\$0.06829
4.35	\$0.10507	4.35	\$0.07726	4.35	\$0.06832
4.40	\$0.10513	4.40	\$0.07730	4.40	\$0.06836
4.45	\$0.10518	4.45	\$0.07734	4.45	\$0.06839
4.50	\$0.10524	4.50	\$0.07738	4.50	\$0.06843

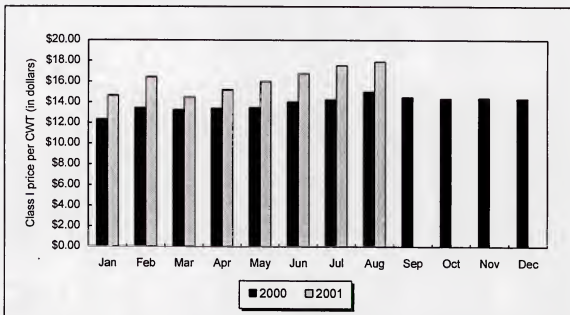
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2000 and 2001

Statistics from the Montana Milk Control Bureau

Month	2000	2001	Difference	% Change
January	\$12.34	\$14.68	\$2.34	18.96%
February	\$13.45	\$16.43	\$2.98	22.16%
March	\$13.26	\$14.49	\$1.23	9.28%
April	\$13.39	\$15.20	\$1.81	13.52%
May	\$13.48	\$15.99	\$2.51	18.62%
June	\$14.03	\$16.76	\$2.73	19.46%
July	\$14.25	\$17.54	\$3.29	23.09%
August	\$15.01	\$17.89	\$2.88	19.19%
September	\$14.50	\$0.00		
October	\$14.39	\$0.00		
November	\$14.44	\$0.00		
December	\$14.37	\$0.00		
Average	\$13.91	\$10.75	\$2.47	18.03%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

MAY 2001: class I = \$9.34; class II = \$2.07; Class III = \$3.45; total = \$14.86

(calculations based upon utilization percentages of butterfat & skim)